

Development Overview

May 2024 - September 2024

Safety, Housing, Education, & Homelessness Committee

September 25, 2024

Adam Lyons, Housing Opportunity Development Director

Department of Housing Stability

Briefing Agenda

1. Please attend Housing and Homelessness Workgroup today (12-1)
2. Summary of development and preservation projects approved by City Council since May 1
3. Questions

HOST-Funded Affordable Housing Development May 2024 - Sept 2024

6 New Projects Approved by City Council

~ 543 units

Rental and For Sale, New Construction, Preservation, Supportive Housing

Council Districts: 3, 4, 7, 9, 10

29th and Welton – Overview

2915 Welton

62 permanently affordable condominiums

District 9

5 Points Neighborhood

Partnership between Shanahan Development and Elevations

Community Land Trust



29th and Welton – Proposed Building

62 affordable condos:

- 25 one-bedrooms
- 16 two-bedrooms
- 21 three-bedrooms

6,950 sf community serving retail. Proposed co-op grocery store.

Elevation community land trust will purchase the building when constructed.

Max 80% AMI sales prices. Affordability protected by renewable 99-year master land lease on the building.



29th and Welton - Timeline

Milestone	Date
Financial Closing	9/25/24
Construction	10/1/24 to Fall 2026
Unit Sales	Fall 2026 to early 2027

CCD Subsidies:

1. \$3,360,000 performance loan for construction costs (linkage fee).
2. \$1,605,000 grant for ECLT down payment (ARPA).
3. \$100,000 CASR Electrification Grant

Partner Subsidies:

1. \$5,000,000 DOH Performance Loan
2. \$2,500,000 in Stronger Communities Grant from the State (coming soon to Council).
3. RTD land provided at significant discount
4. DURA Tax Increment Financing (9/23 final public hearing)

Albion Apartments – Overview

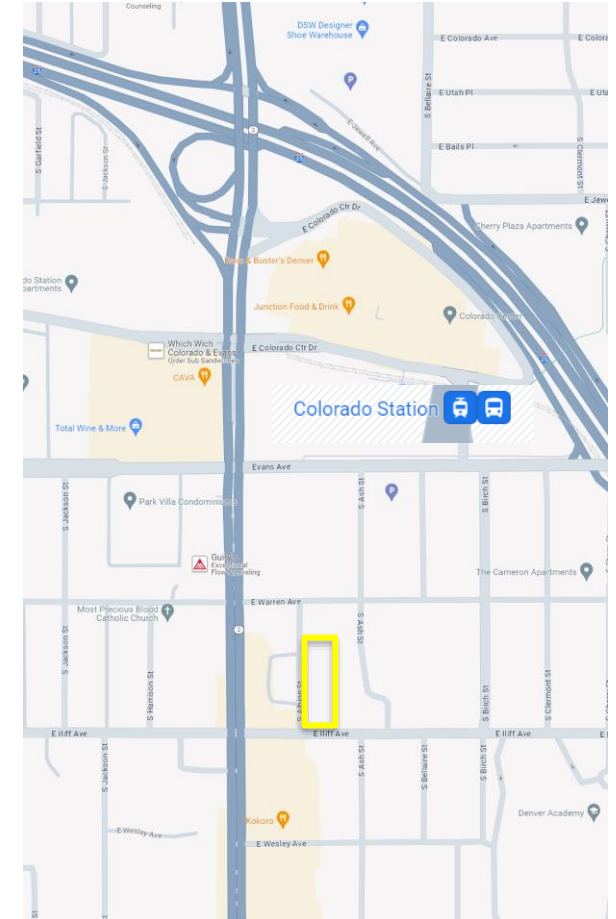
170-unit apartment building
by Delwest

2222 to 2280 S Albion

District 4

University Hills
Neighborhood

Project constructed by
middle of 2027.



Albion Apartments – Overview

Financing

\$6,760,000 cash flow loan to assist with acquiring land.

Includes priority cash flow payments to City.

40-year term at 1% simple interest

4% LIHTC financing

Income averaging:

- 27 units at 30% AMI (16% of total)
- 62 units at 60% AMI (36% of total)
- 81 units at 70% AMI (48% of total)

Focused on serving families

\$1/year rent for childcare center

Intention to partner with Wildflower Schools, national Montessori provider with CO presence.

Free tuition through CO's universal pre-k and childcare assistance programs

Family-sized units:

- 27% are 3 and 4 bedrooms
- Remaining are 2-bds that are almost 1,000 sf

0.9 parking spaces/unit

WDRC ADU – Overview

West Denver Single Family+ ADU Pilot Program – housed in Denver Housing Authority – builds up to 3 bedroom and 864 sqft ADUs

Homeowner or ADU tenant must have an income of 80% AMI or less

We recently added an additional \$800,000 to the existing Pilot program

Total City Subsidy = \$1,930,000 / DHA Covenant – 25 years

So far, 25 ADUs developed in Districts 1, 3, and 7 (required 70% West Denver, 30% City-wide)

44 ADUs to be built during pilot phase

Avg cost to build - \$280,000 / Avg subsidy - \$50,000

ADUs used to house parents, grandparents, college students, adult children & families, HCV holders, and income-qualified renters.

WDSF+ INITIATIVE
ACCESSORY DWELLING UNIT (ADU) PROGRAM



| 2024 |

The West Denver Single Family Plus (WDSF+) ADU Program provides homeowners development, design, financing, and construction resources to build an affordably restricted detached ADU.



WDRC ADU – Overview

BENEFITS OF A WDSF+ ADU

- ✓ **Aging in Place:** WDSF+ ADUs enable on-site care. All ADU Program designs are adaptable for diverse mobilities.
- ✓ **Family-sized housing:** WDSF+ ADUs can be built up to 3 bedrooms and 864 square feet.
- ✓ **Minimize displacement:** WDSF+ ADUs can house doubled-up families.
- ✓ **Affordable co-ownership:** WDSF+ ADUs provide first-time co-ownership through inter-generational building.
- ✓ **Equitable opportunity:** WDSF+ ADUs have minimal up-front cost & include homeowner support to successfully navigate the process of ADU development.
- ✓ **Sustainable Development:** All WDSF+ ADUs are built to high energy-efficiency standards and are solar ready.
- ✓ **Adaptable housing:** All WDSF+ ADUs are built to adaptable design standards to support housing access for people with mobility challenges.

OUTCOMES FROM THE FIRST 25 WDSF+ ADUS (49 HOUSEHOLDS IMPACTED)

75% BIPOC households
50% women-led households
63% low-income homeowners
88% built to house family

Rental rates at an average of
34% area median income

Long term residents
with an average of
18 YEARS
in their neighborhoods

54% doubled up households

Technical assistance:
73 homeowners received technical assistance in the past 12 months. 12% moved forward to build an ADU with the program.

Kappa Tower I Emergency Grant – Overview

45-unit apartment building by Kappa Housing, Inc

All units at 50% AMI

Serves seniors and persons with disabilities

2160 N Downing Street
District 10
City Park West Neighborhood

Remediation required due to flooding from blocked sewer line.

Work completed by 1st Q – 2024.

First HOST Emergency Grant

\$54,000 Grant (Total Cost = \$82,100; remaining funds from property reserves)

Recorded a 60-year covenant on the property



Henninger Legacy Homes



OVERVIEW

- **LOCATION:** NE corner of S Elati St & W Bayaud Ave in the Baker Neighborhood of District 7.
- **DEVELOPER:** Atlantis Community Foundation
- 60 units of **PERMANENT SUPPORTIVE HOUSING** serving households at 30% AMI or less.
- \$3,000,000 in Homelessness Resolution funds
- 99-year Covenant

DESIGN ELEMENTS

- 4 Stories
- U-Shaped with central courtyard
- All Electric
 - 2020 Enterprise Green Communities
 - Zero-Energy-Ready Homes (ZERH)
- Tuck-under parking
- 1 Bedroom units

ADD'L FINANCING

- 9% LIHTC
- CHFA Capital Magnet Fund
- CO Division of Housing HOME
- Bayaud Industries Carry-back Note

Henninger Legacy Homes



Henninger Legacy Homes

SUPPORTIVE SERVICES

- **BAYAUD INDUSTRIES (on-site)**
 - Employment
 - Skills Development
- **ATLANTIS COMMUNITY, INC (adjacent)**
 - Financial Planning
 - Housing
 - Peer Support
 - Independent Living

PROJECT-BASED VOUCHERS

60 VOUCHERS:

- 10 HUD VASH
- 15 SECTION 811
- 35 SECTION 8

SERVICES FUNDING

- Developer Fee
- Medicaid
- State Tenancy Support Services (TSS)
- Foundations & Grants



901 Navajo Street

LOCATION

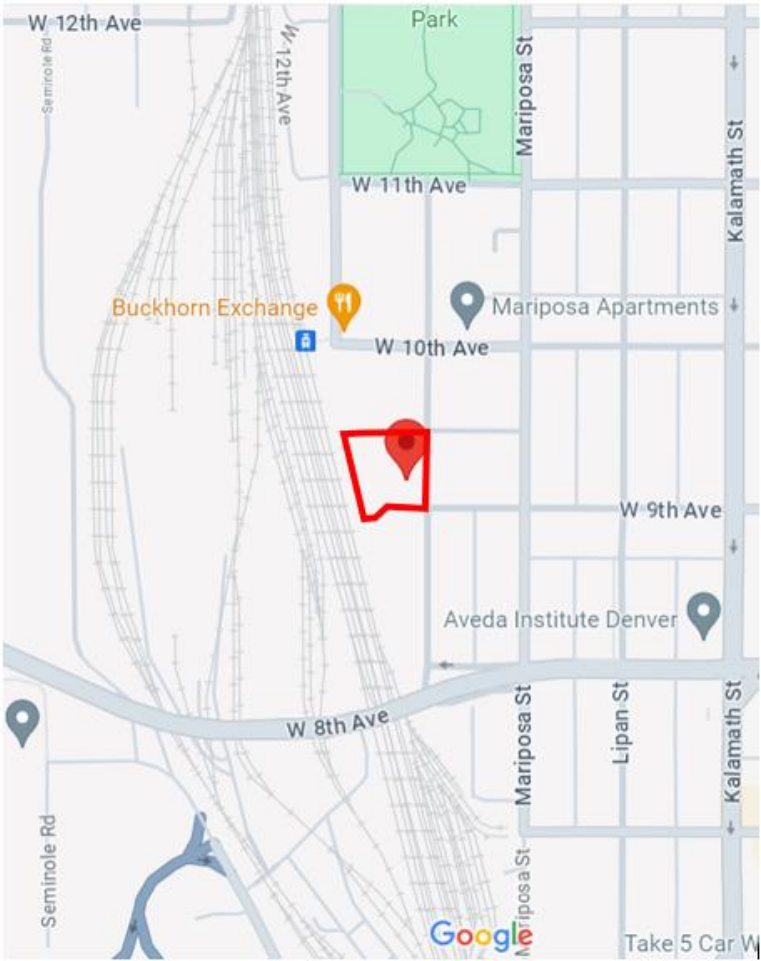
NW corner of
N Navajo St & W 9th Ave

District 3

RTD's 10th & Osage Light Rail
Station within 1 block

Within one mile:

- La Alma-Lincoln Park
- Multiple schools
- Auraria Campus
- Full-Service Grocery Store



901 Navajo Street



View From Corner of 9th and Osage Looking North
Towards Lightrail Station along Shared Street

OVERVIEW

- DHA Delivers for Denver (D3) Project
- FOCUS: American Indian/Alaska Native Community
- DEVELOPER: Mercy Housing Mountain Plains
- 190 total units
 - 94 PERMANENT SUPPORTIVE HOUSING serving households at 30% AMI or less.
- City Investments
 - GAP FUNDING: \$8,550,000 Performance Loan
 - SERVICES: \$2,820,000 Grant
 - 94 CITY VOUCHERS
- 99-year Covenant

901 Navajo Street

PRODUCT MIX						
Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Total Units	% of Total
1 bed/1 bath	81	6	11	11	109	57.4%
2 bed/1 bath	5	7	13	24	49	25.8%
3 bed/2 bath	6	5	7	8	26	13.7%
4 bed/2 bath	2	2	1	1	6	3.2%
Total	94	20	32	44	190	100.0%
% of Total	49.5%	10.5%	16.8%	23.2%	100.0%	

DESIGN ELEMENTS

- 7 Stories
- U-Shaped with central courtyard
- All Electric
 - Enterprise Green Communities
 - Rooftop Solar Array
- Below-grade EV-ready parking

ADD'L FINANCING

- 4% LIHTC + State HTC
- Private Activity Bonds
- CO Division of Housing Grant
- Mercy Capital Magnet Fund
- Energy Tax Credits

SUPPORTIVE SERVICES

- Trauma-Informed
- Resident-Tailored
- On-site Case Managers & Counselors
- Behavioral Health
- Housing Stability
- Health & Wellness
- Financial Literacy
- Job Readiness
- Youth Services
- PROVIDERS:
 - WellPower
 - Mercy Housing
 - Denver Indian Health & Family Services
 - Native American Housing Circle

901 Navajo Street

AMENITIES

- Federally-Qualified Health Center
- Outdoor terraces on floors 1-3
- Community Garden
- Playground
- Community Kitchen
- Food Pantry
- Fitness Center



Questions?

Appendix

Complex Capital Stack

Sources	Total	%
Permanent Mortgage	\$11,670,000	23.7%
CHFA Second Mortgage	\$800,000	1.6%
Federal LIHTC Equity (4%)	\$20,013,566	40.6%
State LIHTC Equity	\$3,465,556	7%
HOST Loan	\$3,300,000	6.7%
DOH Loan	\$3,300,000	6.7%
Deferred Developer Fee	\$759,232	1.5%
Energy Credit Equity	\$106,592	0.2%
CMF Grant	\$150,000	0.3%
Seller Carryback	\$700,000	1.4%
OEDIT ARPA Grant	\$5,000,000	10.1%
Total	\$49,265,046	100.0%

On average, HOST typically provides roughly 13% of the total capital stack. However, this percentage does vary among the variety of project types. Homeownership and preservation projects, where tax credit equity is not achievable in most cases, are seeing HOST funding on the higher end, roughly 15-20% of the capital stack, whereas tax credit rental projects have been in the 6-11% range

HOST INCOME LIMITS AND MAXIMUM RENTS

2024 HOME INCOME LIMITS

(Effective: June 1, 2024)

Area Median Income	HOUSEHOLD SIZE						HUD Income Designation
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	
120%	\$109,560	\$125,160	\$140,880	\$156,480	\$168,960	\$181,560	
115%	\$104,995	\$119,945	\$135,010	\$149,960	\$161,920	\$173,995	
100%	\$91,280	\$104,320	\$117,360	\$130,400	\$140,832	\$151,264	
95%	\$86,735	\$99,085	\$111,530	\$123,880	\$133,760	\$143,735	
90%	\$82,170	\$93,870	\$105,660	\$117,360	\$126,720	\$136,170	
80%	\$71,900	\$82,150	\$92,400	\$102,650	\$110,900	\$119,100	Low Income
70%	\$63,910	\$73,010	\$82,180	\$91,280	\$98,560	\$105,910	
65%	\$59,345	\$67,795	\$76,310	\$84,760	\$91,520	\$98,345	
60%	\$54,780	\$62,640	\$70,440	\$78,240	\$84,540	\$90,780	
50%	\$45,650	\$52,200	\$58,700	\$65,200	\$70,450	\$75,650	Very Low
30%	\$27,400	\$31,300	\$35,200	\$39,100	\$42,250	\$45,400	Extremely Low

2024 HOME RENT LIMITS

(Effective: June 1, 2024)

Area Median Income	UNIT TYPE				
	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
100%	\$2,282	\$2,445	\$2,934	\$3,390	\$3,781
95%	\$2,168	\$2,322	\$2,788	\$3,220	\$3,593
80%	\$1,797	\$1,925	\$2,310	\$2,669	\$2,977
70%	\$1,597	\$1,711	\$2,054	\$2,373	\$2,647
65%	\$1,464	\$1,569	\$1,886	\$2,170	\$2,401
60%	\$1,369	\$1,467	\$1,761	\$2,034	\$2,269
50%	\$1,141	\$1,223	\$1,467	\$1,695	\$1,891
30%	\$685	\$733	\$880	\$1,016	\$1,135

Current HOST Initial Sale Limit

Maximum Initial Sales Price for Income-restricted For Sale Homes

Maximum AMI for the Unit	Bedroom Count	Maximum Initial Sale Price
80% of AMI	Studio	\$198,450
	1-bedroom	\$234,950
	2-bedroom	\$271,450
	3-bedroom	\$307,900
	4-bedroom	\$337,250
75% of AMI	Studio	\$178,750
	1-bedroom	\$212,450
	2-bedroom	\$246,100
	3-bedroom	\$279,800
	4-bedroom	\$306,850
70% of AMI	Studio	\$159,050
	1-bedroom	\$189,950
	2-bedroom	\$220,800
	3-bedroom	\$251,700
	4-bedroom	\$276,500



Low Income Housing Tax Credit Overview

The 1986 Tax Reform Act created the Low-Income Housing Tax Credit (LIHTC) program, under Section 42 of the Code, to assist the development of low-income rental housing by providing qualified Owners with income Tax Credits to reduce their federal tax obligations. Similarly, HB 14-1017 created the Colorado Low Income Housing Tax Credit program which provides qualified Owners with income Tax Credits to reduce their State tax income obligations.

The Colorado Housing and Finance Agency (CHFA) is the allocating agency for the Federal and State Housing Tax Credit programs in Colorado and are required to adopt a Qualified Allocation Plan (QAP) to govern the selection criteria and preferences for allocating Federal Credits. CHFA's QAP is currently updated every two years and is made available for review by interested parties before approval by the Governor and final publication.

Low Income Housing Tax Credit Overview

From 2021-2023, approximately 1000 units of affordable housing in Denver were awarded Low Income Housing Tax Credits (LIHTC) from the CHFA each year on average. Projects are awarded Tax Credits by CHFA in one of three ways:

- 9% Tax Credits
 - Annual competitive round, application due February 1
 - Estimated \$15M available in 2024, capped at \$1,450,000/project or applicant
- 4% Tax Credits paired with State Tax Credits
 - Annual competitive round, application due August 1
 - Estimated \$10M available in 2024, capped at \$1,100,000/project or applicant
- Non-competitive 4% Tax Credits
 - Rolling application (excluding February and December)